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## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

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**I. CSR Activities**

It is recommended that Sundaram Brake Linings Limited (hereinafter referred to as the Company) may focus primarily on the following CSR activities.

- (a) Promoting preventing and general health care, sanitation and provision of safe drinking water.
- (b) Promoting education by providing financial assistance to deserving educational institutions, meritorious and needy students, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled; promoting livelihood enhancement projects and road safety projects with special emphasis on driver training programs;
- (c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care Centre and such other facilities for senior citizens.
- (d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- (e) Protection of national heritage, art and culture, including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (f) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (g) Contributing to rural development projects; and
- (h) Such other activities and projects covered in Schedule VII to the Companies Act, 2013 from time to time.

## II. CSR Committee

- A. CSR Committee shall consist of three or more directors of which, at least one will be an independent director, unless otherwise required under applicable law.
- B. The CSR Committee of the Company will be responsible for:
  - a) formulating and recommending to the Board, the CSR Policy;
  - b) identifying CSR activities to be undertaken in terms of the provisions of the Act and Rules thereunder, provided such activities are indicated in the CSR Policy;
  - c) recommending the annual budgeted expenditure to be incurred on CSR activities by the Company, to the Board for its approval;
  - d) Subject to the provisions of the Act, recommend the locations for carrying out CSR activities;
  - e) recommending to Board, modifications to the CSR policy, as and when required; and
  - f) regularly monitoring the implementation of the CSR policy

## III. Board

The Board of the Company will be responsible for:

- a) approving the CSR policy as formulated by the CSR Committee, with or without modifications.
- b) considering the recommendations of the CSR Committee and providing appropriate instructions / directions to the CSR Committee when required.
- c) preparing a budget of expenditure to be applied for CSR projects contemplated in the annual policy of the Company.
- d) ensuring that in each financial year the Company spends at least 2% of the average net profits of the Company, made during the 3 (three) preceding financial years, or such other amount as prescribed under the Act and Rules framed thereunder, in pursuance of its CSR Policy.
- e) disclosing in the Report of the Board, the names of CSR Committee members and ensure annual reporting of its CSR activities in the format as prescribed under the Act and the Rules framed thereunder.
- f) Complying with all the applicable requirement.

**IV. Modalities and Implementation Schedule for Execution of projects or programs or CSR activities**

The Company will undertake its CSR activities either directly or through a Registered Trust or through a Registered Society or establish another company under Section 8 of the Companies Act, 2013 or even to collaborate with other entities.

The implementation Schedule for CSR activities will be dependent on the availability of eligible projects.

**V. Expenditure**

The Company shall endeavor to spend, in every financial year at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years for CSR Policy.

For this purpose, “average net profit” shall be calculated in accordance with provisions of Section 198 of the Companies Act, 2013, after deducting therefrom the dividends that may be received from companies in India which are covered under and complying with the provisions of Section 135 of the Companies Act 2013.

The Company will give preference to the local area(s) in and around our manufacturing units in India.

The Company may use the CSR capacities of their own personnel in executing the CSR activities and also effectively monitoring the same but such CSR expenditure shall not exceed 5% of total CSR expenditure of the company in one financial year.

**VI. Monitoring Process**

The Secretary and Compliance Officer shall submit a report to the CSR committee annually about the end use of contributions made.

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**VII. General**

- a) The CSR Policy recommended by the CSR Committee and approved by the Board shall be displayed in the Company's website for public viewing.
  - b) In case of any doubt with regard to any provision of this CSR Policy and in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.
  - c) All provisions of the CSR Policy would be subject to revision/amendment in accordance with the applicable laws.
  - d) The Company reserves the right to modify, cancel, add, or amend this CSR Policy.
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